



TOTVS S.A.
Publicly-Held Company

Corporate Taxpayer's ID (CNPJ/MF): 53.113.791/0001-22
Company Registry (NIRE): 35.300.153.171

NOTICE TO THE MARKET

TOTVS S.A. (BM&FBOVESPA: TOTS3) ("TOTVS" or "Company"), in compliance with the provisions of CVM Instruction 358/2002, as amended, hereby informs its shareholders and the market in general that received a correspondence from the shareholder **BlackRock, Inc.** ("BlackRock"), **informing that has reduced its shareholding participation in the Company and now holds an interest of 4.98% in the Company's capital stock, in addition to derivative financial instruments with financial settlement referenced to Company's shares, representing approximately 0.01% of the total shares issued by TOTVS.**

BlackRock also informed that it does not intend to alter the Company's control or administrative structure and hasn't entered into any agreement or contract to regulate the voting rights or the purchase and sale of securities issued by TOTVS.

The following correspondence is a free translation of the document received and filed at the Company's headquarters.

São Paulo, November 18, 2016.

Gilsomar Maia Sebastião
Executive and Financial Vice-President and
Investor Relations Officer

Investor Relations
Phone: + 55 (11) 2099-7105/7773/7097/7089
ir@totvs.com
ir.totvs.com

TOTVS S.A.

Avenida Braz Leme, 1631

CEP: 02511-000

São Paulo, SP, Brazil

Att. Mr. Gilsomar Maia Sebastião

Investor Relations Officer

Tel: +55 (11) 2099-7335

Fax: +55 (11) 2099-7335

e-mail: gmaia@totvs.com.br

November 17, 2016

TOTVS S.A. - Disclosure of Disposal of Relevant Shareholding

Dear Sir,

1. The investment manager BlackRock, Inc. ("**BlackRock**"), on behalf of some of its clients, informs that has sold common shares issued by TOTVS S.A. ("**Company**"), and on November 16, 2016, its combined holdings totaled 8,261,012 common shares, representing approximately 4.98% of common shares issued by the Company, and 18,100 derivative financial instruments with financial settlement referenced to TOTVS shares, representing approximately 0.01% of the total common shares issued by the Company.
2. Pursuant to Article 12 of Instruction 358 of January 3, 2002, issued by Comissão de Valores Mobiliários (the Brazilian Securities and Exchange Commission - "CVM"), as amended, through this letter BlackRock requests that TOTVS' Investor Relations Officer to disclosure the following information to CVM and other relevant agencies:
 - i. BlackRock is headquartered at 55 East 52nd Street, New York, NY, 10022-0002, in the United States of America;
 - ii. BlackRock's equity interest on aggregate reached 8,261,012 common shares issued by the Company, representing approximately 4.98% of the total common shares issued by the Company, and 18,100 derivative financial instruments with financial settlement referenced to TOTVS shares, representing approximately 0.01% of the total common shares issued by the Company, as specified in item 1 above;
 - iii. The above-mentioned interest is strictly for investment purposes, there being no intention of changing TOTVS' shareholding or management structure;
 - iv. BlackRock has not signed any contract or agreement regulating the exercise of voting rights or the purchase and sale of securities issued by TOTVS.
3. We remain at your disposal for any further information or additional comments you may require.

Sincerely,

Black Rock Inc.

Represented by: Renata Cardoso

Legal Representatives in Brazil: HSBC Bank Brasil S.A., Citibank DTVM S.A. and JP Morgan S.A. - DTVM